ANNUAL REPORT

1983

SASKATCHEWAN NATURAL PRODUCTS MARKETING COUNCIL

DUTIES OF COUNCIL

The Natural Products Marketing Council is established under The Natural Products Marketing Act, R.S.S. 1978. This Act allows for the creation of marketing boards and marketing commissions for farm products in Saskatchewan. The duties of the Natural Products Marketing Council are outlined in section 7 of the Act:

"The Council shall:

(a) advise the Minister on all matters relating to the establishment and operation of boards, commissions, and any agencies empowered to act under this Act;

(b) be responsible to the Minister for the operation and administration of boards and commissions and for that purpose, shall make and enforce such regulations as may from time-to-time be approved by the Lieutenant Governor-in-Council;

(c) conduct or supervise votes on marketing plans as required by the Lieutenant Governor-in-Council or the Minister; and

(d) perform such other duties relating to the marketing of natural products as the Minister may require."

April 10, 1984

The Honourable Lorne Hepworth
Minister of Agriculture
Legislature of Saskatchewan
REGINA, Saskatchewan
S4S 0B1

Dear Dr. Hepworth:

In accordance with section 10 of The Natural Products Marketing Act, I submit herewith the Annual Report of the Natural Products Marketing Council for 1983.

Yours sincerely,

F. Switzer, Chairman
Natural Products
Marketing Council

Att'd

Saskatchewan Natural Products Marketing

Council Members

(as of December 31, 1983)

Mr. Fred Switzer, Chairman, Regina
Mr. Ken Rosaasen, Vice-Chairman, Saskatoon
Mr. Al Mulhern, Meyronne
Mr. Fred Stokes, Dubuc
Mr. J.F. Stueck, Balcarres
Mrs. Shirley Warden, Regina
Mr. Dave Wiens, Waldheim

Staff

Mr. Doug Maley, Secretary
Mr. Terrence Scott, Assistant Secretary

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INTRODUCTION

Nineteen eighty-three was the first full year of operation for six of the seven members who currently comprise the Natural Products Marketing Council. The seventh member was appointed to Council late in 1983.

Council's activities in 1983 included:

- establishing a positive relationship with marketing boards and commissions;

- review of three new proposals for marketing plans under the Act;

- ensuring that existing marketing boards and commissions functioned within the terms of reference contained in their marketing plans; and

- accounting for the interests of non-producers in cases where board and commission decisions affected these people.

Marketing boards and commissions have very broad and substantial powers. The use of these powers, in many cases, affects individuals and groups outside of the regulated industries. Council's job is to monitor the exercise of marketing board and commission powers, and to balance the interests of the producers these institutions promote with the interests of non-producers and society in general. Prudent use of marketing board and commission authorities can produce substantial benefits for producers and, at the same time, promote the public's interest. On the other hand, lack of good judgement in the exercise of marketing board and commission powers can potentially negate the benefits reaped from these marketing institutions.

Council believes there is an over-emphasis on the regulatory functions of the supply management poultry boards. Supply management boards can do a great deal to promote growth and development of their industries. It is Council's intention to promote the development objective over the months and years ahead and to work with the boards to make regulatory reforms which will enable the industries to achieve efficiency and productivity.

The Council has become concerned during 1983 about the lack of opportunity for new producers to establish themselves in supply managed industries. New producers may start a production unit either by purchasing an existing production unit and requesting the marketing board to transfer quota to them or by applying for new quota which becomes available through growth of the market.

There are problems inherent in both methods, which council will seek to alleviate in 1984. Waiting lists of producers wanting to get into poultry production are of such length that many aspiring entrants cannot expect to enter the industries within their lifetimes. The interests of these people must be assessed in relation to the need to protect existing producers.

SUPERVISION OF MARKETING BOARDS AND COMMISSIONS

In 1983 the Natural Products Marketing Council was responsible to the Minister of Agriculture for the operation and administration of the following marketing boards and commissions under The Natural Products Marketing Act:

The Saskatchewan Chicken Marketing Board;

The Saskatchewan Commercial Egg Producers' Marketing Board;

The Saskatchewan Turkey Producers' Marketing Board;

The Saskatchewan Hog Marketing Commission;

The Saskatchewan Sheep and Wool Marketing Commission; and

The Saskatchewan Vegetable Marketing Commission.

In order to fulfill its responsibility for the operation of these boards and commissions, Council engaged in the following activites:

1. The minutes of meetings of boards and commissions were reviewed;

2. Council respresentatives attended meetings of boards and commissions and reported back to Council;

3. Joint meetings of Council and the directors of the Hog Marketing Commission, the Egg Marketing Board, and the Chicken Marketing Board were held;

4. Council members attended annual meetings of poultry marketing boards and regional meetings of the Hog Marketing Commission;

5. Council reviewed annual reports of the boards and commissions; and

6. Council met with the Minister to discuss and provide advice with regard to marketing boards and commissions.

The Natural Products Marketing Council reports that the marketing boards and commissions met their obligations under The Natural Products Marketing Act in 1983.

AMENDMENTS TO MARKETING PLANS

Marketing boards and commissions operate under the authority of The Natural Products Marketing Act. Each board and commission has a marketing plan specifying the purpose, functions, and powers of the board or commission.

From time-to-time producers request amendments to their marketing plans. In 1983, there was one amendment submitted to the Minister of Agriculture and referred to the Council for review and recommendation.

Saskatchewan Commercial Egg Producers' Marketing Plan

The Council reviewed a producer-proposed amendment to the Egg Marketing Plan which provided that no person could serve more than three consecutive two-year terms as a director of the Egg Board. The intent of the amendment was to ensure that new ideas are injected into the decision-making process from time-to-time. The amendment was recommended by Council to the Minister, and was established by Order-in-Council 615/83, dated April 20, 1983. The amendment was gazetted on April 29, 1983.

APPROVAL OF BOARD AND COMMISSION MARKETING ORDERS

Marketing boards and commissions use the authorities granted to them by their marketing plans through marketing orders. These orders require Council approval. Council reviewed and approved the orders listed below in 1983.

Saskatchewan Commercial Egg Producers' Marketing Board

Order No. 25/83 - Operating Fees and Interest Charges.
Purpose: Producer levies increased from 28.5¢ to 46.8¢ per layer per annum, and a two percent per month interest penalty was imposed on overdue levy accounts.

Saskatchewan Turkey Producers' Marketing Board

Order No. 21/83 - Over-Quota Marketings
Purpose: To rationalize the penalty structure on over-quota marketings.

Order No. 22/83 - Metric Conversion.
Purpose: To authorize a conversion factor from pounds to kilograms.

Order No. 23/83 - Quotas, Permits, and Production Units.
Purpose: To specify quota allocation policy in regard to estates.

Order No. 24/84 - Quota Limitations.
Purpose: To specify maximum quota allotments for producers and exemptions from these limitations.

Saskatchewan Chicken Marketing Board

Order No 21/83 - Quota Waiting List.
Purpose: Establishes policy with regard to the quota waiting list of applicants for new quota.

Order No. 22/83 - Penalties.
Purpose: To establish penalties for production over quota allocation for any quota period.

Saskatchewan Sheep and Wool Marketing Commission

Order No. 22/83 - Check-Off.
Purpose: To change the amount of check-off taken on low-value animals.

Saskatchewan Pork Producers' Marketing Board
(formerly Saskatchewan Hog Marketing Commission)

The following orders of the Pork Producers' Marketing Board were approved by Council:

Order No. 1/83 - Marketings to be Regulated
Order No. 2/83 - Definition of Terms
Order No. 3/83 - Licensing and Registration
Order No. 4/83 - Saskatchewan Transit Hog Insurance Coverage
Order No. 5/83 - Industry Standards
Order No. 6/83 - Documentation and Hog Identification
Order No. 7/83 - Fees and Levies
Order No. 8/83 - General Sales Procedure
Order No. 9/83 - Sales Procedure - Small Plants
Order No. 10/83 - Sow Sales
Order No. 11/83 - Producer Deliveries
Order No. 12/83 - General Pricing Procedures
Order No. 13/83 - Small Plant Settlement
Order No. 14/83 - Plant Settlement
Order No. 15/83 - Settlement - Board with Producers
Order No. 16/83 - Assembler and Trucker Settlement
Order No. 17/83 - Contingency Provisions

The above Orders of the Saskatchewan Pork Producers' Marketing Board were a rewrite of the Orders of the Saskatchewan Hog Marketing Commission, necessitated as a result of a changeover from a Government-appointed commission to a producer-elected board.

NEW MARKETING PLANS REVIEWED IN 1983

Under The Natural Products Marketing Act, plans for new marketing boards are referred by the Minister of Agriculture to the Natural Products Marketing Council for review and recommendation. In 1983, Council acted on three new plans for the establishment of marketing boards.

Saskatchewan Pork Producers' Marketing Plan

In mid-1982, a group of pork producers submitted a request to the Minister of Agriculture for the Government-appointed Saskatchewan Hog Marketing Commission to be converted to a producer-elected board; namely, the Saskatchewan Pork Producers' Marketing Board. Five delegates from each of seven regions of the Province would be elected by pork producers. The five delegates from each region would elect from among their number one director to serve on a seven-member board. The proposed marketing plan would see no change to the marketing powers nor the day-to-day operations of the producers' marketing organization. The marketing plan would create democratic, producer control of the marketing organization. Council reviewed the proposed plan and conducted the necessary steps in 1983 to allow the plan to be put into place. Council studied the plan, met with the producer committee sponsoring the plan, and attended regional producer meetings where the idea of a producer-elected board was discussed. Council recommended to the Minister of Agriculture that the question of establishing the plan be put to a vote of pork producers.

Provincial Cabinet directed that the Natural Products Marketing Council conduct a vote on the proposed plan. Council ensured that all pork producers had an opportunity to be informed about the new marketing plan, compiled a voters' list, and appointed a returning officer. A mail-ballot plebiscite conducted during the month of July, 1983, asked producers; "Are you in favour of the establishment of the Saskatchewan Pork Producers' Marketing Plan?" The results of the plebiscite were:

Number of valid ballots	-	1,233
Number of "yes" votes	-	924
Number of "no" votes	-	309

Seventy-five percent of voting producers favoured the establishment of the new plan; thus giving the plan more than the sixty percent support required by The Natural Products Marketing Act for its establishment. At year-end, the plan had been forwarded to Provincial Cabinet, with official establishment expected within the first two weeks of 1984.

The Pork Producers' Marketing Plan provides producers with an opportunity to become more involved in the marketing of their product. Under the regional delegate and director system, there are assurances that producers within each region and across the Province have an opportunity to be represented and to have a say in the major marketing decisions which affect their industry. It is up to the producers to see that the opportunity to chart the industry's future is seized upon.

Saskatchewan Pulse Crop Development Plan

The Saskatchewan Pulse Crop Growers' Association submitted a request for a Pulse Crop Development Plan to the Minister of Agriculture in 1982, under The Natural Products Marketing Act. This proposed plan called for a non-refundable check-off on all Saskatchewan pulse crops marketed by producers. The check-off would not exceed one half of one percent of gross sales. Buyers of pulse crops would deduct the check-off and remit it to a seven-person, producer elected Pulse Crop Development Board. The Board would use the funds to finance research, promotion, market development, and extension activities for pulse crops. The Board would not market pulse crops.

During 1983, the Council reviewed and studied the Pulse Crop Development Plan. Council met with the Directors of the Pulse Crop Growers' Association to discuss the objectives of the plan. From the discussions, Council concluded that a producer vote on the question of the plan's establishment was justified and, therefore, recommended to the Minister of Agriculture that a plebiscite be held. The Provincial Cabinet directed that a vote be conducted by the Council.

The plebiscite on the question of establishing the pulse plan has been scheduled for early 1984.

Saskatchewan Broiler Hatching Egg Producers' Marketing Plan

The Saskatchewan Broiler Hatching Egg Producers' Association requested a marketing plan be established for broiler hatching eggs. This plan was reviewed by Council in 1983. The plan would create a producer-elected marketing board to market Saskatchewan broiler hatching eggs under a supply management system.

Council met with representatives of the Broiler Hatching Egg Producers' Association to discuss the purpose of the proposed plan. Council recommended to the Minister of Agriculture that the plan proceed to a vote of broiler hatching egg producers. Provincial Cabinet directed that the vote be conducted.

The plebiscite on the question of establishing the Broiler Hatching Egg Producers' Marketing Plan will be conducted by the Council in 1984.

APPEALS UNDER THE ACT

The Natural Products Marketing Act allows any person aggrieved by a decision of a marketing board or marketing commission to appeal the matter to the Natural Products Marketing Council. The Council hears the parties involved, and makes a ruling on the appeal. Council received two appeals during 1983.

An appeal was received from two unlicensed egg producers against the Saskatchewan Commercial Egg Producers' Marketing Board on the issue of whether the two producers could produce twice the maximum production for unlicensed producers. The Council directed the problem be referred to the Egg Board Conciliation Committee, as required by the Egg Plan. The Conciliation Committee reviewed the matter and made a recommendation to the Egg Board. At year-end, Council had reason to believe that the dispute would be resolved by the Egg Board and the producers involved without hearing an appeal.

The second appeal received by Council concerned the production privileges of an unlicensed egg producer leasing a portion of a licensed facility to produce eggs. The Council directed this dispute also be dealt with initially by the Egg Board Conciliation Committee. At year-end, the Conciliation Committee had not reviewed the dispute.

BOARD AND COMMISSION OPERATIONS

The Saskatchewan Chicken Marketing Board

The Directors of the Saskatchewan Chicken Marketing Board for 1983 were:

Charles Stueck, Chairman, Abernethy
John Reddekopp, Vice-Chairman, Dalmeny
Ray Hayko, Director, Regina
Phil Stilborn, Director, Balcarres
Percy Naumetz, Director, Fort Qu'Appelle
G.J. Novak, Manager, Kelliher

The Saskatchewan Chicken Marketing Board, in conjunction with The Canadian Chicken Marketing Agency, regulates the quantity of chicken produced in Saskatchewan. The Saskatchewan Board sets the price of chicken through negotiation with poultry processors. The objective of the Board is to improve and stabilize producer returns by managing product supplies.

Producer Numbers

There were 63 producer licenses issued in 1983. Six transfers were approved by the Board, which involved a total of 169,990 broilers, 14,000 roasters, and 11,300 cornish hens.

Distribution of Quota Holdings

Broiler Quota Size	January 1 1983	January 1 1984
1,000 to 9,999	2	2
10,000 to 14,999	23	22
15,000 to 19,999	9	12
20,000 to 29,999	8	7
30,000 to 39,999	8	6
40,000 birds or more	9	9
Total Registered Broiler Growers	59	58
Roasters or Cornish Hens Only	6	5

The quota base is presently 1.4 million birds/cycle, with five cycles per year.

Summary of Production

The following table summarizes chicken production in Saskatchewan in 1983 (1982 in brackets):

Type of Bird	No. of Birds	Weight (kgs)	Ave. Bird Weight (kgs)
Broilers	7,016,100 (6,174,471)	12 150 876 (10 597 321)	1.73 (1.71)
Roasters	115,580 (100,553)	352 728 (306 165)	3.05 (3.04)
Cornish Hens	2,272 (nil)	1 772 (nil)	.78

The average size of broilers increased in 1983 from 1982, in part due to the influx of take-out size birds from Eastern Canada, leaving Saskatchewan processors to dispose of Saskatchewan production in the form of whole birds. Cornish hen production has suffered in Saskatchewan with increased automation in poultry processing. Virtually all of Saskatchewan's cornish hen requirements are imported from other provinces. The total value of Saskatchewan chicken production from registered growers was $14,109,156 in 1983.

Prices

Following a sharp decline in prices paid to producers in the latter half of 1982, 1983 began with a further 1¢/kg decrease in January. February 25 began a turnaround which produced nine price changes in the balance of the year, improving the price paid to producers by 16¢/kg.

In December, the Board changed the broiler price schedule from six weight categories to one price for all weight categories.

Producer Levies

A levy of .959¢ per kg was checked off the growers' proceeds up to the end of March. Of this, .1323¢/kg was remitted to the Canadian Chicken Marketing Agency. In April the CCMA levy increased to .1984¢ per kg, making a total check-off for the balance of the year of 1.025¢ per kg. The check-offs produced $127,398, of which $22,944 was remitted to the CCMA.

Quota Allocation

Preliminary figures indicate that Saskatchewan producers will fall short of the 1983 quota allocation from the CCMA by three and one-half percent. In 1983, the Board tailored some production for live exports to neighbouring provinces in the form of special production permits for registered producers in order to meet the province's quota allocation. About 200,000 birds were slaughtered in Alberta and Manitoba.

In 1984, Saskatchewan's quota allocation from the CCMA will be 14.2 million kg, up 1.1 million kg from the 1983 allocation. The Chicken Board is taking steps to produce the entire increase in allocation by increasing production of existing producers and by establishing new producers. Markets look strong for 1984.

Producer Extension Program

The Saskatchewan Department of Agriculture provides core funding for the grower extension program operated for the three poultry boards by the Western College of Veterinary Medicine and the Department of Animal and Poultry Science at the University of Saskatchewan. Three regional seminars were held in 1983 and 44 registered producers took advantage of the seminars. The Chicken Board's share of funding in 1983 for the program was $5,000.

The Saskatchewan Commercial Egg Producers' Marketing Board

The Directors of the Saskatchewan Commercial Egg Producers' Marketing Board for 1983 were:

Brian Reimer, Chairman, Eston
Stanley Fehr, Vice Chairman, Hague
Ted Wiens, Director, Regina
Harry Waddell, Director, Humboldt
Doug Mitchell, Director, Stoughton
Don Guenter, Director, Saskatoon
Everett Ritson, Manager, Regina

The Saskatchewan Egg Board, in conjunction with the Canadian Egg Marketing Agency, manages the quantity of eggs produced in Saskatchewan for the table-egg market and sets the price of eggs. The board's objective is to improve and stabilize producer returns.

Production and Marketing

The following table gives a historical record of the number of registered producers, along with their marketings and the value of those marketings:

Year	Producers	Marketed (million doz.)	Value of Marketings ($ million)
1979	104	12.21	8.89
1980	116	13.80	10.83
1981	104	14.27	12.70
1982	104	14.19	12.65
1983	100	14.21	12.93

Quota Allocation

The total layer quota in the commercial flock has remained at 734,233 layers since November, 1981. The following table shows change in quota allocation by flock size in 1983:

Flock Size	Number of Producers January 1, 1982	January 1, 1983
300- 500	3	2
501- 1,000	13	12
1,001- 3,000	22	21
3,001- 5,000	27	26
5,001-10,000	19	19
10,001 and over	20	20
	104	100

Promotion Activities

In 1983, the Egg Board supplemented media advertising undertaken by the Canadian Egg Marketing Agency, and participated in trade shows and restaurant promotions in order to increase table-egg consumption.

Producer Extension Program

The Board continued to participate in a producer extension program with Saskatchewan Agriculture, the Chicken and Turkey Marketing Boards, and the University of Saskatchewan. This program has been extremely beneficial to many egg producers in Saskatchewan by increasing their production, improving egg quality, and maximizing their profits.

The Saskatchewan Turkey Producers' Marketing Board

The Directors of the Saskatchewan Turkey Producers' Marketing Board in 1983 were as follows:

Jack Rynsburger, Chairman, Melville
Fred Kurulak, Vice Chairman, Biggar
Dennis Billo, Director, Bruno
Perry Kirkham, Director, Saltcoats
Don Teichrob, Director, Saskatoon
Fred Longstaff, Manager, Regina

The Saskatchewan Turkey Board participates in the Canadian Turkey Marketing Agency to manage the quantity of turkey produced in Saskatchewan. The Board also establishes the price at which turkeys produced in Saskatchewan are sold. The objective of the Board is to improve and stabilize producer returns.

Production and Marketing

The following table gives a historical account of registered producers, along with their production and the value of production:

Year	Producers	Production (tonnes evisc.)	Value of Production (000's of $)
1978	26	3,636	$4,800
1979	25	3,892	4,800
1980	25	3,814	5,510
1981	26	3,382	5,800
1982	22	3,783	6,617
1983	22	3,730	6,266

In 1983, total marketings by Saskatchewan producers were 3,730,061 kgs, with a total value of $6,265,623. Average producer price in 1983 was $1.38 per kg, live, down from $1.44 in 1982.

The disposition of marketings on an eviscerated basis is shown in the following table:

	Kilograms	Percentage
In-Province - Sask.	2 316 749	62
Out-of-Province - Alberta	808 956	22
- Manitoba	604 356	16
Total Out-of-Province	1 413 312	
Total Marketings in 1983	3 730 061	100

Outlook for 1984

Year-end 1983 Canadian turkey inventories indicated a five to six percent increase in quota allocation was needed. Since the industry has been producing below 100 percent of the quota base, this means existing producers will be able to operate closer to full capacity in 1984. The increase in quota allocation is not expected to be large enough to cause overbase quota to be allotted to existing or new producers.

Prices for turkey in 1984 should remain fairly stable, although uncertainty on the input-cost side makes producer returns difficult to predict. Improvements in feed conversion rates and grade-outs in recent years have helped to maintain producer returns.

The Saskatchewan Vegetable Marketing Commission

The Directors of the Saskatchewan Vegetable Marketing Commissiion in 1983 were:

William Childerhose, Chairman, Outlook
Eugene Johns, Director, Henribourg
Carl Larsen, Director, Radville
Don Dabbs, Director, Saskatoon
Kim MacDougall, Director, Lumsden
Glenn Annand, Secretary-Manager, Outlook

Producer Numbers

During 1983 there were 56 vegetable growers registered with the Saskatchewan Vegetable Marketing Commission, compared with 65 in 1982.

Production

Planted acreage was 2,796 acres in 1983, of which 2,475 acres were planted for commercial sales and 321 acres for market garden and farmers' market sales.

Market Trends

In general, lower production in other areas due to weather problems caused strong produce prices. Cabbage, onion, rutabaga, and potato prices were up from 1982 prices by 40 to 80 percent.

Information Services

The Saskatchewan Vegetable Marketing Commission continues to provide a regular information newsletter on a subscription basis of $3 per vegetable acre. The newsletter includes suggested minimum prices for produce sales by growers, market information and trends in the produce markets, agronomic information, notices and reports of meetings and tours, equipment sales advertisements, and other miscellaneous information.

Marketing Service

The marketing service was used on a very limited basis by vegetable producers in 1983. Commercial growers have prearranged marketing outlets, and are satisfied to carry on this way, using the Commission's suggested minimum prices.

Western Canada Potato Marketing Agency

The concept of forming a potato marketing agency involving the provinces in the western region was discussed at several meetings during 1983. The Commission took part in these discussions to represent Saskatchewan potato producers. Some agreement was reached with other provinces, but agreement on a western marketing agency has not yet been obtained.

Starch Production from Industrial Potatoes

The concept of starch production from industrial potatoes was first raised in the Garven Report on the vegetable industry. Through Federal funding, the concept was studied and a report released in early 1983. A more in-depth study project was developed by the Saskatchewan Vegetable Marketing Commission, and has been supported by Saskatchewan Agriculture's Market Development fund, DREE-ITC, and the Potash Corporation of Saskatchewan. This study will be completed in 1984.

This concept holds much promise for the economic future of potato production and could provide a boost to the Saskatchewan agricultural economy and irrigation development.

Commission Office Operations

Due to financial constraints and the resignation of the Secretary-Manager, the Saskatchewan Vegetable Marketing Commission was operating on a part-time basis throughout the summer and early fall period. The newsletter was continued, and a limited number of other functions were performed by the Directors and part-time staff. A Secretary-Manager was rehired for the winter marketing season.

The Saskatchewan Sheep and Wool Marketing Commission

The Directors of the Sheep and Wool Marketing Commission for 1983 were:

Dale Donald, Chairman, Rockhaven
Colleen Sawyer, Vice Chairman, Saskatoon
Leslie Flaig, Director, Tompkins
Ed MacCallum, Director, Swift Current
Donald Paterson, Director, Marsden
Larry Sothmann, Director, Elrose
Jim Koal, General Manager, Saskatoon

The Sheep and Wool Commission provides a marketing service for producers who wish to have the Commission market their sheep and wool. The Commission also administers a check-off on sheep and wool which is used to fund activities to promote and develop the sheep industry and pay the Commission's costs of operation.

Summary of Sheep and Lamb Marketings

The following is a summary of the marketings of the Sheep and Wool Commission in 1983, as compared with 1982 and 1981:

	1983	1982	1981
No. of Lambs Marketed	12,727	12,183	9,774
Average Gross Value per Head	$ 63.37	$ 57.36	$ 57.26
Average Selling Cost per Head	$ 5.71	$ 5.12	$ 5.39
No. of Sheep Marketed	2,673	2,063	1,594
Average Gross Value per Head	$ 34.51	$ 31.39	$ 37.74
Average Selling Cost per Head	$ 5.38	$ 5.41	$ 4.79
Total No. of Sheep & Lambs Marketed	15,400	14,236	11,368
Total Gross Value	$898,823	$763,935	$619,809
Total Selling Cost	$ 87,046	$ 73,545	$ 60,302
Average Selling Cost per Head	$ 5.65	$ 5.16	$ 5.30

The number of sheep and lambs marketed through the Commission in 1983 increased by about eight percent from 1982 marketings. Marketings were high earlier in the year than normal, with heavy offerings taking place by the end of June. Marketing problems were experienced up until early October as a result.

The Commission partially solved the problems by shipping lambs to Victoria, British Columbia, and through efforts to convince local packers of the need for fresh lamb at the retail level in Saskatchewan. Canada Packers increased its kill by 150 to 200 percent per week in 1983.

Wool Assembly

Wool assembly and disbursement of sacks and ties is a service the Commission continued to co-ordinate in 1983. The wool was assembled at two points in the Province, one in the Regina area, and one in the Saskatoon area.

Sheepman's Supplies

The Commission continued to sell sheepman's supplies as a method of providing a needed service to producers and of raising some revenue to cover a portion of the Commission's operating costs.

The Saskatchewan Hog Marketing Commission

The Directors of the Saskatchewan Hog Marketing Commission in 1983 were:

Garth Larsen, Chairman, Semans
Ken Jamieson, Director, Battleford
Wayne Vermette, Director, Kyle
Laverne Voldeng, Director, Naicam
Richard Wright, Director, Wawota
Jim Morris, General Manager, Saskatoon

The Commission markets all hogs produced in Saskatchewan, provides production and marketing information to producers through the Commission's regular newsletter, contributes toward research projects for hogs, promotes pork consumption and administers the provincial government's Saskatchewan Hog Assured Returns Program.

1983 Marketing Summary

Total marketings in 1983 of 612,275 head increased from 589,538 head in 1982, as shown in the table below. The total value of hogs sold by producers fell to $71.9 million in 1983 from $84.3 million in 1982. Large Japanese purchases resulted in strong producer prices in the early part of 1983. Japanese purchases then tapered off in anticipation of resumption of Danish trade in September, 1983. With the Danes back on stream and the U.S. in a more-than-adequate supply/sluggish demand situation, prices began to deteriorate.

	1983	1982
Total Sales (all categories included small plant transactions excluded)	612,275	589,538
Active Production Units	4,428	4,574
Gross Paid to Producers	$71,901,947.50	$84,255,059.18
Weekly Delivery Highlights		
High - week ending Oct.7/83	14,290	
Pool Price that Week	$ 64.60	
Low -week ending May 27/83 (excluding Christmas week)	9,205	
Pool Price that Week	$ 67.91	
Average Weekly Deliveries	11,775	11,130
Grading Highlights		
Average Index (excluding 67's)	102.39	101.97
% Hogs Grading 102 and over	71.93	69.12
Average Hog Weight, Dressed, Pounds	171.9	171.8
Price Highlights		
Average Hog Price per cwt., dressed	$ 68.54	$ 81.51
Average Gross Value per Hog	$120.74	$141.76
High - Pool Price Week ending Jan. 28	$ 86.00	
Low - Pool Price Week ending Nov. 18	$ 56.09	
Average Sow Price (per cwt., dressed No. 1 heavy)	$ 50.26	$ 62.40

Table continued

	1983	1982
Boar Sales		
Number Sold	2,269	1,775
Total Value	$333,304.71	$369,782.18

The following table shows the destination of hog marketings.

	No. of Head	Percent of Total
Saskatchewan	502,336	82.0
Alberta	15,287	2.5
British Columbia	17,510	2.9
Manitoba	10,368	1.7
U.S.A.	66,774	10.9
Total	612,275	100.0

Grading

On January 1, 1984, the Saskatchewan Hog Marketing Commission introduced a new producer settlement table. The new table discourages production of light hogs and encourages the production of heavier, exportable hogs by reducing the severe penalties long inherent in the federal grading table.

Marketing Forecast

The Saskatchewan Pork Producers' Marketing Board anticipates 1984 marketings to increase by approximately 12 percent to 674,000 hogs. First quarter, 1984, prices are expected to range from $60 to $70 per hundredweight, dressed, index 100; second quarter prices should range from $70 and $75; the traditional third quarter price peak should range from $78 to $83; fourth quarter prices should decline to between $75 and $80.

Operating Fund

Because of low hog prices, the Commission's operating fund was in the red in 1983 but the deficit was covered by reserves set aside for this eventuality. A slow down in the inflation rate and forecasts of improved hog prices should put the operating fund back in the black in 1984.

Producer Board

Nineteen eighty-three is the last year of operations for the Government appointed Commission structure. Beginning in 1984 the operation will be run as a producer elected board.

NATIONAL MARKETING AGENCIES

The Natural Products Marketing Council is a signatory to federal-provincial agreements for chickens, turkeys, and eggs. National marketing agencies, consisting of producer representatives from each participating provincial commodity board, operate as a result of these agreements. The agencies manage the quantity of these products produced in Canada and this importation. The agencies include the Canadian Chicken Marketing Agency, the Canadian Egg Marketing Agency, and the Canadian Turkey Marketing Agency.

Each national agency allocates a Canadian quota among the participating provincial commodity boards, who in turn allocate their provincial allotments to individual producers within provincial boundaries. The national agencies target production to meet the market demand at a price which covers the average producer's costs and provides a reasonable return on investment. The Canadian Egg Marketing Agency prices eggs centrally, while the provincial commodity boards price chicken and turkeys.

As a signatory to each of the three federal-provincial marketing agreements, the Natural Products Marketing Council has duties relating to the operations of the national marketing agencies. Meetings of signatories to the agreements were held in 1983. Council representatives attended these meetings.

Canadian Chicken Marketing Agency (CCMA)

The Canadian Chicken Marketing Agency Signatories' Meeting was held in May, 1983. At this meeting, overproduction penalty systems, monitoring and enforcement with respect to illegal chicken production, and administrative and operational problems of the Chicken Marketing Agency were topics of discussion.

A second CCMA Signatories' Meeting was held in September, 1983. A committee to develop a monitoring and enforcement system reported to the Signatories. The Signatories agreed that provincial boards should carry out on-spot inspection to verify chick purchase, growing on-farm, and sale of birds, in order to prevent illegal production. It was also agreed that the provincial over-production penalty systems would be made compatible with the national penalty system. Provincial boards would be responsible for all overproduction. These changes would be implemented over the coming months.

The Canadian Egg Marketing Agency (CEMA)

The Canadian Egg Marketing Agency's Signatories' Meeting was held in May, 1983. Signatories agreed to support efforts leading to a more orderly method of egg import control. CEMA felt imports were coming into Canada when they were not needed. Agreement could not be reached that a new pricing system proposed by CEMA was superior to the existing pricing system. Therefore, no change to the pricing system was directed.

The Canadian Turkey Marketing Agency (CTMA)

A Signatories Meeting for the Canadian Turkey Marketing Agency was held in March, 1983. The Signatories discussed first receivership of supplementary imports by the Canadian Turkey Marketing Agency. The Agency felt supplementary imports were depressing turkey prices. First receivership for the Agency would remove the incentive for importers to apply for supplementary imports when imports were not needed to meet demand. Unanimous agreement of the Signatories on the question of first receivership of imports by the CTMA was not achieved.

Signatories dealt with the question of adjusting provincial base market shares to reflect each province's average market share over the five-year period prior to establishment of the CTMA in 1974. Adjusting provincial allocations to reflect the five-year average would increase Saskatchewan's base share of Canadian production. Unanimous consent required to make the adjustment was not obtained.

Other National Issues

The subject of allocation of new quota due to market growth (i.e. overbase quota) continued to be a controversial issue in 1983. A special Signatories' Meeting was held in May, 1983, for signatories to all three national marketing agencies. The meeting dealt with the overbase quota issue, lack of provincial co-operation, and an apparent disregard national agencies have for the National Farm Products Marketing Council. The Federal Minister of Agriculture, Eugene Whelan, warned of the possibility of winding up the agencies if improvements were not forthcoming.

A Canadian Egg Marketing Agency pricing issue involved the Natural Products Marketing Council in 1983. The NPMC had been asked by the National Farm Products Marketing Council to support the application of the Federal Government's 6/5 percent inflation guidelines for the Canadian Egg Marketing Agency. Provincial Council rejected the request since egg prices are set by a cost-of-production formula which prevents egg prices from contributing toward inflation. To restrict egg prices to a 6/5 percent increase while costs rise by more than that amount would cause a deterioration of producers' returns.

The NPMC monitored the Canadian Broiler Hatching Egg Producers' Association request for a national marketing plan with supply management powers. The National Farm Products Marketing Council held public hearings on this issue late in 1983. There was mixed support and opposition to the proposed national plan. National Council had not rendered a recommendation by year-end to the Federal Minister of Agriculture as to whether or not a national plan should be established for broiler hatching eggs.

POOR

QUALITY

ORIGINAL